development, and every voice in favor of its immediate construction should therefore be listened to with attention.

In a final chapter on the Monroe Doctrine, Dr. J. Fairfax McLaughlin gives us again the familiar history of its enunciation, and adds a number of American precedents in its favor. In the course of this chapter Mr. Calhoun is allowed by a quoted speech to defend himself against Senator Lodge's arraignment of him "as the only American statesmen of any standing who has tried to limit the scope of the Monroe Doctrine;" and an interesting quotation is given from a memoir of Pozzo de Borgo, the Russian diplomatist, who in 1817 suggested the advisability of subjugating the United States in the interests of the Holy Allies. Dr. McLaughlin has indeed collected valuable material bearing on the history of the Monroe Doctrine, whose further elaboration would no doubt prove interesting. It is a pity the present article is so disjointed and ill-digested.

Taken together these two little volumes constitute a hopeful sign of the renewed interest we are beginning to take in the countries to the south and west of us, and their circulation should therefore be encouraged; for there can be little doubt that our future commercial interests lie in these directions.

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Finanztheoretische Untersuchungen nebst Darstellung und Kritik des Steuerwesens Schwedens. By Dr. KNUT WICKSELL. Pp. xii, 352. Price, 8 marks. Jena: Gustav Fischer, 1896.

This book contains three monographs which treat respectively of the incidence of taxation, the theory of justice in taxation and the history of taxation in Sweden.

Dr. Wicksell is a disciple of the Austrian Economists, and he bases his reasoning in this volume on the marginal utility theory of value, and on Böhm-Bawerk's well-known propositions regarding capital. His purpose in the first monograph is to explain the incidence of taxation in the light of these theories. His broad conception of this subject includes not simply a consideration of the way in which a particular tax is shifted and a determination of the person or persons upon whom it ultimately falls, but a discussion of the economic effects of an entire system of taxation or of a particular tax as part of a system.

As a basis for his reasoning he describes a theory of distribution, which he has developed in a previously published work entitled, "*Über Wert, Kapital und Rente nach den neuiren nationalökonomischen Theorien*," and to which the following propositions are fundamental: (*a*) Both rent and wages are advanced out of capital; (*b*)

the productivity of industry increases as the period of production lengthens, the rate of increase, however, constantly diminishing; (*c*) an increase in either rent or wages will lengthen the productive period on account of the tendency of capitalists to employ larger amounts of machinery and other mechanical contrivances when labor and land become more expensive; (*d*) the relative height of rent, wages and profits at any time will tend to be such that all the labor and capital of the community will be employed together with such a proportion of the available land, cultivated with such a degree of intensity, as will be adequate to such employment. These propositions being granted he shows (frequently by mathematical processes) that taxes levied directly upon wages, profits or rents cannot be shifted since they cannot alter the proportions of land, labor and capital required for the highest degree of productivity. Taxes levied upon commodities instead of incomes, however, will have the same effect as a diminution of the productivity of industry, and consequently will be shifted upon all classes of producers. The relative portions of the burden, which will be borne by laborers, capitalists and landlords, respectively, will depend upon the degree in which the scale of increasing productivity falls with the lengthening of the productive period. If it falls rapidly, capitalists will bear the greater portion of the burden, if slowly, laborers and landlords. Similar processes of reasoning lead Dr. Wicksell to the conclusion that neither a tax upon the net earnings of monopolists, nor upon monopolized commodities can be shifted, but that, in the case of the latter tax, a considerable sum, in addition to that which finds its way into the treasury, must be taken from both consumers and monopolists without any corresponding benefit to any one,

This part of Dr. Wicksell's work possesses all the strength and all the weakness of the four above described premises upon which it is based. Viewed simply as a logical deduction from these premises it is quite satisfactory, but any one who feels inclined to deny the truth or the universality of any of these fundamental propositions will be unable to accept many of his conclusions, and must regard this part of his work as an interesting mental feat, the practical value of which, either to the theorist or the statesman, is at least problematical.

In the second monograph Dr. Wicksell defends the "*quid pro quo*," or the "service and counter-service" as opposed to the "equality of sacrifice" principle of justice in taxation. The application of this principle to the entire field of taxation (with the single exception of taxes applied to the payment of interest on the public debt, or to other obligations incurred for services rendered in the past and made binding by contracts) is, in his opinion, made possible by the extension

of the marginal utility theory to public services substantially according to the method followed by Sax and Mazzola. The approximate realization of this principle of justice in practical affairs can only be accomplished, according to Wicksell, by a legislative reform which would compel every representative who should propose a public appropriation for any purpose to accompany his bill with a set of alternative proposals regarding the way in which the funds he proposes to expend should be raised. Each representative would thus have an opportunity to compare the utility of the proposed object of expenditure to his constituents with the sacrifice which would be entailed by the different methods proposed for raising the revenue. With one method of distributing the burden of the tax the sacrifice to his particular constituents might exceed this utility, while by another method it might fall far below it. In case the burden could not be distributed in such a way that the majority would estimate the utility to their constituents higher than the costs, the service for which the public expenditure is proposed should be left to private initiative. In this way the final decision of the matter would be relegated to the people who would be able to determine by experience whether their net economic advantage require that the service in question be rendered by the public or by private corporations.

The third part of Dr. Wicksell's book contains an interesting sketch of the history of taxation in Sweden during the last two hundred years. It is, and it pretends to be, nothing more than a sketch, but it will be welcomed by students of comparative finance because it furnishes information concerning a bit of financial experience regarding which the average scholar knows very little.

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